20

STANDING COMMITTEE ON URBAN DEVELOPMENT
(2006-2007)

FOURTEENTH LOK SABHA

MINISTRY OF URBAN DEVELOPMENT

DEMANDS FOR GRANTS
(2007-2008)

TWENTIETH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

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MINISTRY OF URBAN DEVELOPMENT

DEMANDS FOR GRANTS (2007-2008)

Presented to Lok Sabha on 27.4.2007

Laid in Rajya Sabha on 27.4.2007

LOK SABHA SECRETARIAT
NEW DELHI

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CONTENTS

		Page
Composition of the Committee		(iii)
Introduction		(v)
	REPORT	
Chapter I	Introductory	1
Chapter II	Overall assessment of Demands for Grants of the Ministry of Urban Development for the year 2007-08	3
Chapter III	Growth of Urbanisation *vis-a-vis* Budgetary Allocation for Urban Development	8
Chapter IV	Scheme-wise/Programme-wise analysis of Demands for Grants 2007-2008:	
	(i) JNNURM	14
	(ii) UIDSSMT	23
	(iii) NCRPB	26
Chapter V	Urban Transport	31
	Annexures	
I.	Status of Projects sanctioned under JNNURM State/City-wise	36
II.	Minutes of the Tenth sitting of the Committee held on 29.3.2007	41
III.	Minutes of the Twelfth sitting of the Committee held on 13.4.2007	43

COMPOSITION OF THE STANDING COMMITTEE ON URBAN DEVELOPMENT (2006-2007)

Mohd. Salim — *Chairman*

MEMBERS

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2. Shri Avtar Singh Bhadana
3. Shri Sharanjit Singh Dhillon
4. Shri Surendra Prakash Goyal
5. Shri Anant Gudhe
6. Shri Pushp Jain
7. Shri Kailash Joshi
8. Shri Sajjan Kumar
9. Prof. Vijay Kumar Malhotra
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15. Shri D. Vittal Rao
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18. Shri Jagdish Tytler
**19. Kunwar Devendra Singh Yadav
20. Shri Suresh Ganpatrao Wagmare
$21. Smt. Botcha Jhansi Lakshmi

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* Nominated *w.e.f.* 22.3.2007.

** Nominated *w.e.f.* 25.9.2006 *vice* Shri Ravi Prakash Verma, M.P. ceased to be the Member of the Committee *w.e.f.* 25.9.2006.

$ Nominated *w.e.f.* 2nd January, 2007.

Rajya Sabha

22. Shri Nandi Yellaiah
23. Smt. Syeda Anwara Taimur
24. Shri B.K. Hariprasad
[$$]25. Shri Manohar Joshi
26. Shri Surendra Moti Lal Patel
27. Shri Krishan Lal Balmiki
28. Shri Penumalli Madhu
29. Shri Mukul Roy
[##]30. Shri Brij Bhushan Tiwari
31. Shri Varinder Singh Bajwa

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri S. Bal Shekar — *Joint Secretary*
3. Shri R.K. Saxena — *Director*
4. Smt. Anita B. Panda — *Deputy Secretary*
5. Shri Kulmohan Singh Arora — *Committee Officer*

[##]Nominated *w.e.f.* 6.3.2007.

[$$]Nominated *w.e.f.* 1st September, 2006.

INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2006-2007) having been authorised by the Committee to submit the Report on their behalf, present the Twentieth Report on Demands for Grants (2007-2008) of the Ministry of Urban Development.

2. The Demands for Grants of the Ministry of Urban Development have been examined by the Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Ministry of Urban Development on 29 March, 2007.

4. The Committee considered and adopted the Report at their sititng held on 13th April, 2007.

5. The Committee wish to express their thanks to the officials of the Ministry of Urban Development for placing before them the requisite materials and their considered views in connection with the examination of the subject.

6. They would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
25 *April*, 2007
5 *Vaisakha*, 1929 *(Saka)*

MOHD. SALIM,
Chairman,
Standing Committee on Urban Development.

CHAPTER I

INTRODUCTORY

1.1 The Ministry of Urban Development is entrusted with the responsibility of broad policy formulation and monitoring of programmes in the areas of urban development, urban water supply and sanitation. These are essentially State subjects but the Government of India plays a co-ordinating and monitoring role and supports these programmes through Centrally Sponsored Schemes. The Ministry is also entrusted with the responsibility of planning and coordination of urban transport matters. The Ministry addresses various issues of urban sector through policy guidelines, legislative guidance and sectoral programmes.

1.2 Under its administrative control, the Ministry of Urban Development has four Attached Offices namely CPWD, Directorate of Printing, Directorate of Estates and Land & Development Office; three Subordinate Offices; two Public Sector Undertakings namely National Building Construction Corporation and Delhi Metro Rail Corporation; and five Statutory/Autonomous Bodies including Delhi Development Authority and National Capital Region Planning Board.

Review of status of implementation of the previous recommendations of the Committee contained in Fourteenth Report of the Committee on Demands for Grants (2006-2007) of the Ministry of Urban Development.

1.3 The Fourteenth Report (14th Lok Sabha) of the Committee on Urban Development on Demands for Grants (2006-2007) of Ministry of Urban Development was presented to Parliament on 22nd April, 2006 and the related Action Taken Report *i.e.* Eighteenth Report (14th Lok Sabha) was presented to Parliament on 20th March, 2007.

1.4 In pursuance of Direction 73 A of Directions by the Speaker, the Minister of Urban Development made a statement before the House on 15th December, 2006. The Statement depicted the status of implementation of the recommendations of the Committee made in their Fourteenth Report (14th Lok Sabha) on the Demands for Grants (2006-2007).

1.5 In their Fourteenth Report, the Committee had made 19 recommendations. Out of these recommendations, 15 recommendations,

accepted by the Government, are in the process of implementation and 3 recommendations have not been implemented by the Government. One recommendation is not being pursued further by the Committee.

Although majority of the recommendations made by the Committee in their previous Report on Demands for Grants (2006-07) of the Ministry of Urban Development have been accepted by the Government, the Committee are not satisfied with the overall progress in the implementation aspect, owing to the fact that in some areas the progress is either very slow or not satisfactory. Few of these issues have been again dealt with in the present Report. The Committee desire that the recommendations of the Committee should be dealt with utmost seriousness by the Ministry of Urban Development and implemented diligently in a time bound manner.

1.6 The Detailed Demands for Grants (2007-2008) of the Ministry of Urban Development were laid in Parliament on 16th March, 2007. Budget of the Ministry of Urban Development comprises of three Demands for Grants, namely:

Demand No. 99	—	Urban Development
Demand No. 100	—	Public Works
Demand No. 101	—	Stationery & Printing

CHAPTER II

OVERALL ANALYSIS OF THE DEMANDS FOR GRANTS OF THE MINISTRY OF URBAN DEVELOPMENT FOR THE YEAR 2007-2008

2.1 The overall BE 2007-08 of the Ministry is Rs. 4050.92 crore (Gross), including both Plan and Non-Plan. Anticipated recoveries to be made during the year itself are of the order of Rs. 236.40 crore. Thus the net budget of this Ministry, both Plan and Non-Plan, works out to Rs. 3814.52 crore. The respective provisions on the Revenue and Capital sides are Rs. 1761.64 crore and Rs. 2052.88 crore. The relevant break-up of Plan and Non-Plan provision is Rs. 2335.52 crore and Rs. 1479.00 crore, respectively.

2.2 The Plan figures include provision for Capital Works of other Ministries and Departments, which is Rs. 31.52 crore for Non-residential Works (Demand No.100) and Rs. 4.00 crore for Residential Works (Demand No.99). Net Plan allocation of the Ministry is Rs. 2300.00 crore.

Demand-wise Budget Estimates and Revised Estimate 2006-07 (Plan) & (Non-Plan) and Budget Estimates 2007-08 are as under:—

(Rs. in crore)

Demand No. and Name	B.E. 2006-07			R.E.2006-07			B.E.2007-08		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5	6	7	8	9	10
Demand No. 99—Ministry of Urban Development									
(a) Revenue	678.42	415.45	1093.87	682.63	464.15	1146.78	561.50	464.84	1026.34
(b) Capital	1038.14	113.36	1151.50	1033.93	129.85	1163.78	1569.50	124.16	1693.66
Total	1716.56	528.81	2245.37	1716.56	594.00	2310.56	2131.00	589.00	2720.00
Demand No. 100—Public Works									
(a) Revenue	6.00	634.80	640.80	6.36	659.33	665.69	23.00	662.95	685.95
(b) Capital	127.22	140.87	268.09	126.64	190.67	317.31	181.52	177.05	358.57
Total	133.22	775.67	908.89	133.00	850.00	983.00	204.52	840.00	1044.52

1	2	3	4	5	6	7	8	9	10
Demand No. 101—Stationery & Printing									
(a) Revenue	0.00	51.80	51.80	0.00	44.80	44.80	0.00	49.35	49.35
(b) Capital	0.00	0.20	0.20	0.00	0.20	0.20	0.00	0.65	0.65
Total	0.00	52.00	52.00	0.00	45.00	45.00	0.00	50.00	50.00

The Plan and Non-Plan expenditure details of the Ministry of Urban Development from 2000-2001 to 2006-2007 are as under:

EXPENDITURE DETAILS

(Rs. in crore)

YEAR	PLAN					NON - PLAN				
	BE	RE	ACTUAL	Shortfall in Utilisation	% of Utilisation	BE	RE	ACTUAL	Shortfall in Utilisation	% of Utilisation
2000-2001	1279.93	1011.09	737.96	541.97	57.66%	2946.00	2685.03	876.93	2069.07	29.77%
2001-2002	897.50	913.36	1667.65	-770.15	185.81%	973.99	1079.35	1024.68	-50.69	105.20%
2002-2003	1054.51	2258.00	2224.55	-1170.04	210.96%	1080.68	1076.83	1014.77	65.91	93.90%
2003-2004	1738.07	2400.00	2619.15	-881.08	150.69%	1101.73	1043.00	1017.56	84.17	92.36%
2004-2005	1512.04	2017.04	2304.90	-792.86	152.44%	1067.69	1067.60	1103.17	-35.48	103.32%
2005-2006	2080.33	2580.33	2810.43	-730.10	135.10%	1099.72	1095.13	1117.42	-17.70	101.61%
2006-2007	1849.78	1849.56	1110.55	739.23	60.04%	1356.48	1489.00	1037.63	318.85	76.49%
2007-2008	2335.52			2335.52	0.00%	1479.00			1479.00	0.00%
TOTAL	12747.68	13029.38	13475.19	-727.51	105.71%	11105.29	9535.94	7192.16	3913.13	64.76%

Figures upto Janauary 2007

2.3 When asked about the funds surrendered by the Ministry of Urban Development during the last five years, the Ministry in a written note furnished the following details:

Demand No. 99 – UD

(Rs. in crore)

Sl.No.	Year	Amount Surrendered
1	2	3
1.	2001-02	44.90
2.	2002-03	117.18

1	2	3
3.	2003-04	116.79
4.	2004-05	18.43
5.	2005-06	722.23
Demand No.100 – Public Works		
1.	2001-02	24.24
2.	2002-03	55.58
3.	2003-04	47.59
4.	2004-05	32.03
5.	2005-06	25.51
Demand No.101		
1.	2001-02	19.76
2.	2002-03	11.42
3.	2003-04	16.17
4.	2004-05	10.40
5.	2005-06	11.05

2.4 When asked to explain the reasons for substantial gaps between BE and RE particularly under the Plan Head during the years 2002-03 to 2005-06 as well as large amount surrendered by the Ministry, the Secretary, Urban Development during the oral evidence, deposed before the Committee as below:

> "In our scheme of things, when we were asked to provide estimates for the coming year, we make a certain projection of what we would be able to utilize and what should be the appropriate allocation. The Planning Commission and the Finance Ministry make provisions. At the BE stage, even though, we would like to make a proper start by providing for various schemes as per requirements, we are somewhat constrained at that stage; as we move ahead, as I mentioned, in some programmes, we make good progress; in some programmes, not so good a progress, there are various factors like working season, etc. So, if enough is not spent by July-August, when the RE exercise begins, either there is slashing

of funds or if we succeed in showing very good results, there is an enhancement at the RE stage. Since we have to go through these two processes, whenever we have a problem at the BE, normal assurance, that is given, is that, if we perform very well, it will be taken care of at the RE stage; we have to depend upon these two mechanisms for finding appropriate funds. Still there would be certain amount of surrender towards the end of the year; some of it would be on the non-plan side like salaries and others, but as far as the main programmes are concerned, except for one or two, as I mentioned in my opening statement, like National Urban Information Scheme or the Mission Mode programme, which we thought we would be able to start, but it had to go through a process of approval. These are some of the areas where we had to, much against our wishes, ask for surrender because the final phase of approval was not there. We anticipated that it should be possible for us to get the approval and start implementation, but then, that took some time."

2.5 In their post evidence note, however, the Ministry informed the Committee that the expenditure is reviewed periodically and proposals are planned in such a manner so as to ensure full utilization of funds provided to them.

2.6 As the Committee enquired about unspent balances lying with the State Governments as on 31.12.2006 in respect of schemes of Ministry of Urban Development, the Ministry furnished the following details:

Part-A : Unspent balance with State Governments

(Rs. in crore)

S. No.	Name of the Scheme	Total
1.	Integrated Development of Small & Medium Towns (IDSMT)	326.69
2.	Infrastructure Development of Mega Cities	23.54
3.	Research in Urban & Regional Planning	0.735
4.	Urban Water Supply & Sewerage (AUWSP)	90.28
5.	Jawarharlal Nehru National Urban Renewal Mission (JNNURM) (A.C.A. to States)	701.54
	TOTAL	1142.785

Scheme wise analysis has been done in a separate chapter of this Report.

Need to project realistic Budgetary Estimates

2.7 The Committee, while examining the Expenditure Details of the Ministry of Urban Development from the year 2000-2001 to 2006-2007 note that there exists a substantial mismatch between Budget Estimates, Revised Estimates and Actuals both in Plan and Non-Plan expenditure of the Ministry of Urban Development from the year 2001-2002 to 2006-2007. While the Committee do agree that the progress and performance of schemes cannot be uniform, hampering thus the allocation of funds at RE stage, they are of the view that the Budget planning could be made more accurate with a realistic assessment of the contributing factors. To quote an instance, the Committee note that in the year 2005-2006, while the BE for Plan Expenditure was Rs. 2080.33 crore, the RE was Rs. 2580.33 crore and the figures for Actual Expenditure came out as Rs. 2810.43 crore which means a gap of Rs. 730.10 crore between BE and Actual Expenditure. There was a difference of Rs. 230 crore (approx.) between RE and the Actual. The Committee feel that the Ministry has a major responsibility in this regard and thus, should be more careful while projecting their estimates at the Budget Estimate stage itself only so as to avoid the practice of seeking unnecessary Supplementary grants.

Intensive monitoring of States' performances to prevent non-utilization of funds

2.8 The Committee express their concern over the fact that the Ministry of Urban Development had surrendered substantial quantum of funds during the years 2001-2002 to 2005-2006 under its Demands Nos. 99, 100 and 101. In this connection, the Ministry sought to justify the surrender on the grounds that final approval of some of the projects/schemes could not be obtained in time. The Committee do not find the justification convincing, since they feel that such occurrences can be prevented provided the planning/estimation/ projections are submitted in a strictly time-bound manner and pushed forward vigorously thereafter. Also, the Committee note that as on 31 December 2006 Rs. 1142.78 crore was lying as unspent balance with the State Governments under various schemes of the Ministry of Urban Development. The Committee are inclined to conclude from the foregoing that the performance of various schemes of the Ministry has not been up to the mark. Besides, the Ministry need to strengthen the monitoring mechanism of the ongoing schemes both at the Central and the State levels and impress upon the slow performing State Governments to utilize allocated funds appropriately in a time bound manner so that the plan funds lying idle with the States could be utilized for the development of the urban areas.

CHAPTER III

GROWTH IN URBANISATION VIS-A-VIS BUDGETARY ALLOCATION FOR URBAN DEVELOPMENT

3.1 As per the Annual Report (2006-2007) furnished by the Ministry, urbanization in India has become an important and irreversible process. The process of urbanization is characterized by most dramatic increase in number of large cities. It has been estimated that at current rates of growth, urban population in India will reach a staggering total of 575 million by 2030 A.D.

3.2 The Annual Report further acknowledges that this transition to an urban society, however, has not been accompanied by corresponding increase in the supply of basic urban services like water supply, sewerage and drainage network, garbage disposal facilities, citywide roads, and public safety systems like street lighting and pedestrian pathways. Nor has the supply of land and housing kept pace with the increase in urban population. The result of this unbalanced growth has been a large number of households without access to basic services, poor housing and proliferation of slums, widespread poverty, road congestion, and high pollution levels. Though 90% of urban population is covered by protected water supply, per capita availability is low and unreliable. Investments to meet the urban infrastructure, service needs and housing demand are grossly inadequate, and have lagged behind the required levels. Nearly 55%of India's GDP is contributed by the urban population, whereas percentage share of Urban Development's Budget of GDP is decreasing every year, which is evident from the data given below:

(Rs. in crore)

Sl. No.	Year	GDP at market price (Rs.)	UD's Budget (Rs.)	% age share of UD's budget of GDP
1.	2000-01	2089500	1157.50	0.06%
2.	2001-02	2271984	871.35	0.04%
3.	2002-03	2463324	965.37	0.04%
4.	2003-04	2760025	953.17	0.03%
5.	2004-05	2855933	930.89	0.03%
6.	2005-06	3250932	957.75	0.03%

3.3 The Planning Commission, in their Approach Paper to 11th Five Year Plan, has also expressed their serious concern over the state of urban infrastructure in the country. It states that rapid economic growth will inevitably lead to an increase in urbanization as cities provide large economies of agglomeration for individual activity. The Paper also hints about deterioration in the state of urban infrastructure in the country. Poor urban infrastructure inflicts a severe hardship on people. Congested roads, poor public transport, inadequate availability of water, improper treatment of sewage, uncollected solid waste and above all grossly inadequate housing that forces more than 50% of our population in some metros to live in slums, all these severely decrease the quality of life and lower the well being of urban population. Unless, these problems are dealt with now, this will deteriorate further as urban population may rise from present 28% to 40-50% by 2025.

3.4 The Committee had noted that under their National Common Minimum Programme(NCMP), the Government has pledged that the highest priority would be attached to the development and expansion of physical infrastructure like roads, power, water supply, sewage treatment, sanitation etc. It has further been promised that the public investment in infrastructure will be enhanced, even as the role of the private sector is expanded. Subsidies will be made explicit and provided through the Budget.

3.5 In this background, the Committee desired to know the growth of Urban Population and allocations made for Urban Development during the 10th Plan period. Accordingly, the Ministry furnished the following details:—

I. Growth of Urban Population

Decadal Year	Total Population	Urban Population	% of Urban Population
1981*	665287849	157680171	23.70%
1991**	838583988	215771612	25.73%
2001	1028610328	286119689	27.82%

*Excluding Assam where 1981 Census was not found.
**Excludes figures of Jammu & Kashmir where 1991 Census was not held.

II. Allocation for Ministry of Urban Development

(Rs. in crore)

Year	10th Plan Allocation (Year Wise)	Total Budget of Government	Allocation for Ministry of Urban Development	Percentage of funds meant for Ministry of Urban Development out of total allocation
2002-03	144038	410309	2456	0.60%
2003-04	147893	438795	3136	0.71%
2004-05	163720	477829	2899	0.61%
2005-06	211253	514344	3514	0.68%
2006-07	254041	563991	3449	0.61%

3.6 When asked to justify the percentage wise decrease in the Ministry of Urban Development budget as compared to total Budgetary allocation of Government of India, the Secretary, Ministry of Urban Development during the oral evidence stated as below:—

> "In terms of percentage, it may look small. Of course, additional Central assistance for JNNURM is not reflected directly in this budget. That I believe is over and above what has been indicated here. Since that is shown as ACA in the Ministry of Finance, so the provision of JNNURM is over and above that. We facilitate from there and it is again for the States and the local bodies to come forward to take advantages of the various Schemes. As far as local bodies is concerned, the entire objective of the Ministry is to enable them to reach a level whereby their revenues are improved and they are in a position to raise the resources for taking up a large number of activities. What is there in the budget is of course confined to these activities but in addition to this, as I mentioned, JNNURM has ACA, that is another component. If we succeed in getting substantial viability gap funding that would be another component. We have initiated action to have an additional facility in the form of National Urban Infrastructure Fund, which would be yet another vehicle available to local bodies if they want to take advantage of going in for additional resources for some of the projects which they want to take up. So, we keep making efforts with the Planning Commission to get higher allocation, and outlay enhance I hope in our scheme of things what become

available, we have to make do with that does not mean that all the activities would be confined to the budgetary allocations only."

3.7 The Committee, during oral evidence, had also noted that the trend of large number of people coming form adjoining areas to the big cities puts a heave burden on the civic amenities. When asked about the steps taken to check the influx of population from neighbouring areas to big cities, the Secretary, UD stated during oral evidence as below:—

"About the influx from neighbouring areas, a good example is the National Capital Region. In the case of Delhi, a large scheme of things are in position whereby even from the neighbouring States, people should not have the need to move to Delhi only in search of employment and if it is possible, they should be provided opportunities in counter-magnet cities and there is a scheme to support infrastructure development in the neighbourig States. But there is an issue about Delhi also because it also wants to grow and so, there is an attempt to balance the requirement and as far as Delhi is concerned, the effort is to look at these basic requirements and we have notified the latest Master Plan for Delhi"

3.8 In this connection, the Committee had felt that the allocation is not at all sufficient to cope with the rapid urbanisation.

3.9 The Committee pointed out that most of the cities in the Committee develop in a very haphazard manner. On their query that in order to streamline such things, both at the micro as well as the macro level as to what steps have been initiated by the Ministry, the Secretary, Urban Development stated as follows:—

"It is for the first time that for large cities we could put in place a scheme of thins whereby a city could think in terms of what the city should be like, what the vision of the city should be what are the gaps in the development strategy. So, a good exercise has been undertaken by having a City Development Plan for each city. We call it the 'Living Document' because it is not a document which once prepared remains there only. There are constantly efforts on with the apprising agencies also to look at these City Development Plans which have been prepared as to how it needs to be updated or constantly upgraded. There is an effort on. We are advising the local bodies also on this score. It should become a permanent feature of the scheme of thins of large cities. Not only large cities, every other cities and towns also we have put in motion a scheme whereby they should be in a position to look at what might ones

town or city look like, what gaps in infrastructure needs to be filled and what are the possible sources of revenue. This exercise has been started. As far as preparing this document or looking at the requirement is concerned, there is a capacity building programme which we have taken up where we will involve the personnel from the local bodies so that they themselves are in a position to structure this and take this up and go in for various sources of assistance, not only from the Government but from other bodies also.

Sir, as regards the question of peripheral areas of cities are concerned, we have started looking into what needs to be done to look at the requirements of those areas as a whole because ultimately either they will become part of the city or town itself or they would be different in the scheme of things."

Requirement for allocation in proportion to growth in Urban Population

3.10 From the figures furnished regarding the growth in urbanization and the allocation of funds made in favour of the Ministry of Urban Development in the last few years, the Committee note that the increase in the Budgetary allocations for enhancing basic services and urban infrastructure does not correspond with the growth of urban population in the country and this has inflicted severe hardships on the urban population. The Committee also note that although around 55% of India's GDP is contributed by the urban population, the percentage share of Urban Development Budget in terms of GDP is decreasing every year from 0.06% in 2001-2002 to 0.03% since 2003-2004. The Committee are of the view that infrastructure inadequacies in urban area are a major factor constraining development and growth and it is high time that the Government recognizes the massive rise in urban population and decides to commensurately invest in rejuvenating and enhancing the urban infrastructure. The Committee therefore, recommend that the Government should strive to increase the percentage share of Urban Development Budget in terms of GDP to a level which ensures that the cities are able to offer a reasonable quality of life to the citizens. This the Committee feel, would enable them to become national assets rather than liabilities, and engines of economic growth as well in accordance with what the Government has pledged in their National Common Minimum Programme.

Alternate mechanism for investment in Urban Infrastructure

3.11 The Committee further feel that since the requirements for urban infrastructure are large and public resources are scarce, the Government should encourage and stimulate an alternate mechanism for investment in urban infrastructure with adequate regulatory mechanism.

Development of Satellite towns/cities with appropriate funding

3.12 The Committee are of view that due to rapid urbanization there has been a stupendous rise in the migration of rural population to big cities in search of employment and livelihood. This influx has resulted in the haphazard growth of planned cities, a steep rise in slums and unauthorized colonies and has contributed to enormous strain on urban infrastructure. The Committee have been given to understand that the concept of National Capital Region has been formulated basically to check this trend. The Committee note that the Government is replicating this model to other big cities also, like Mumbai. However, they are also aware of the concerns expressed in various quarters on the need to ensure better connectivity and infrastructure in the satellite towns so as to make them more attractive for the migrant population. They therefore, cannot but overemphasize on the need to ensure a balanced and harmonious development of mega cities and their adjacent towns with adequate allocation of funds.

CHAPTER IV

SCHEME-WISE/PROGRAMME WISE ANALYSIS OF DEMANDS FOR GRANTS (2007-2008)

4.1 The Ministry of Urban Development is implementing a number of Schemes for assisting the States in meeting the challenge of rapid urbanization. An analysis of some of the important schemes and progress reported during the year 2006-2007 are given in the succeeding paragraphs.

(i) JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION (JNNURM)

4.2 According to the Ministry, consistent with the policies of the present Government, the Prime Minister of India launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) on 3rd December, 2005 to give focused attention to integrated development of urban infrastructure and services in select 63 cities with emphasis on provision of basic services to the urban poor including housing, water supply, sanitation, slum improvement, community toilets/baths etc. A provision of Rs. 50,000 crore was proposed to be made available as reform linked Central assistance over the Mission period of seven years, beginning from 2005-06.

Regarding JNNURM, it was further informed to the Committee as follows:

4.3 The Mission follows two track strategy.

- Track I consists of the main Mission (JNNURM) for integrated development in 63 identified cities.
- Track II consists of Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) and Integrated Housing & Slum Development Programme (IHSDP) for catering to other cities.

4.4 The 63 identified cities have been classified in three categories.

- Mega Cities/ Urban Agglomerates — 07
- Million plus cities/ Urban Agglomerates — 28
- Identified cities/Urban Agglomerates — 28

4.5 JNNURM consists of two Sub-Missions, *viz*., "Urban Infrastructure and Governance" under the Ministry of Urban Development, and "Basic Services to the Urban Poor" under the Ministry of Housing and Urban Poverty Alleviation.

4.6 The Mission Objectives, according to the Ministry, are:—

(i) Planned development;

(ii) Integrated development of infrastructural services;

(iii) Effective linkages between asset creation and asset management;

(iv) Ensure adequate investment of funds;

(v) Scale up delivery of civic amenities and provision of utilities with emphasis on universal access to the urban poor;

(vi) Take up urban renewal programme, *i.e.,* re-development of inner (old) cities area to reduce congestion; and

(vii) Provision of basic services to urban poor including security of tenure at affordable prices where possible in situ, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the Government for education, health and social security.

4.7 The Committee were informed that the Infrastructure Development is reforms driven *i.e*. the cities are required to undertake certain reforms as a pre-condition to accessing funds for the various projects. The reforms aim at improving financial health of the local bodies, sustainability of assets created, improvement of Urban Governance and service delivery. The reforms are of two categories; mandatory reforms and optional reforms. All reforms have to be completed within the Mission period by the States and ULBs/ Parastatals.

4.8 The duration of the Mission, according to the Ministry, is 7 years beginning from 2005-06. As regards the budgetary provisions for the same, the Committee had noted that the request of the Ministry of Urban Development regarding provision of funds for JNNURM in their Budget was not accepted by the Ministry of Finance. When asked to elaborate, the Ministry of Urban Development stated as follows:

"JNNURM is a State Sector Scheme and not a Centrally Sponsored Scheme. The Central grant being given to the States is in the form of Additional Central Assistance (ACA). This ACA is a part of State plan which is administered by the Ministry of Finance, Department of Expenditure. Therefore, it was not possible to

transfer the money to the Budget of Ministry of Urban Development. However, to expedite the process of sanction and release of funds to the States and the Cites, the guidelines of JNNURM were modified to enhance the powers of Central Sanctioning and Monitoring Committee (CSMC) to sanction projects costing up to Rs. 500.00 crore as compared to Rs. 100.00 crore provided initially in the guidelines. As a result, no problem is being faced so far as delay in release of ACA under JNNURM is concerned. Therefore, the matter was not pursued further."

The Committee were informed that a provision of Rs. 50,000.00 crore had been made as Central Assistance over the 7 years period. A similar amount is to be provided by the State Governments/ULBs.

4.9 The Committee were informed that in order to avail of the ACA, all the 63 Cities were required to prepare City Development Plans (CDPs) and Detailed Project Reports (DPRs). Also, State Governments and Urban Local Bodies/Parastatals have to sign Tripartite Memorandum of Agreement (MoA) with Central Government indicating commitments and milestones to be achieved in the implementation of reforms at the State and ULB/Parastatal levels.

Funding Pattern

4.10 According to the Annual Report 2006-2007 of the Ministry of Urban Development, the financing of projects under the Mission is perceived as under:—

Category of Cities/Towns/UAs	Grant		ULB or Para-Statal Share/ Loan from Financial Institutions
	Centre	State	
Cities/UAs with 4 million plus population as per 2001 census	35 %	15 %	50 %
Cities/UAs with million plus but less than 4 million population as per 2001 census	50%	20%	30%
Cities/Towns/UAs in North Eastern States and Jammu & Kashmir	90%	10%	-
Cities/UAs other than those mentioned above	80%	10%	10%
For setting up de-salination plants within 20 Kms. from sea-shore and other urban areas predominantly facing water scarcity due to brackish water and non-availability of surface source.	80%	10%	10%

4.11 From the Annual Report, the Committee noted that the eligible sectors for Sub-Mission-I are as follows:—

a. Urban Renewal.

b. Water Supply Including Desalination Plants & Sewerage.

c. Solid Waste Management.

d. Construction/Improvement of Storm Water Drains.

e. Urban Transport including roads/highways/Expressways/ MRTS/Metro Projects.

f. Parking lots on PPP basis.

g. Prevention and rehabilitation of soil erosion/land slides.

h. Preservation of water bodies.

i. Development of heritage area.

4.12 Regarding monitoring the progress of projects sanctioned under the Mission, the Committee had noted as follows:—

- Ministry of Urban Development will periodically monitor the scheme through designated Officers of this Ministry for each State/UT.
- State level nodal agency would send quarterly progress report to the Ministry of Urban Development.
- Upon completion of the project, nodal agency through the State Government would submit completion report in this regard.
- Central Sanctioning & Monitoring Committee may meet as often as required to sanction and review/monitor the progress of projects sanctioned under the Mission.
- Monitoring of progress of implementation of reforms would be outsourced to specialized/technical agencies.

Review of past performance and financial review

4.13 In their Outcome Budget (2007-2008), the Ministry stated that after the launch of JNNURM on 03.12.05, in the Financial Year 2005-06, an allocation of Rs. 500 crore was made. Thereafter, the cities were persuaded to come up with various Detailed Project Reports (DPRs) which were appraised and approved by the Central Sanctioning

and Monitoring Committee (CSMC). Funds to the extent of Rs. 90.10 crore were released. In the Financial Year 2006-07, an allocation of Rs. 2287.15 crore had been made. For the year 2007-08, a provision of Rs. 2474.90 crore has been made.

In this connection, the Ministry of Urban Development was asked to furnish State/City-wise status of funds released and utilized under JNNURM, the Ministry furnished the details on 13.04.2007 which is reproduced at Annexure-I.

4.14 When asked as to whether the budgetary allocation for the Mission for the year 2007-08 would be sufficient to meet the requirements, the Secretary, Urban Development, during oral evidence, stated as below:—

> "A sum of Rs. 2474.90 crore has been provided as additional Central assistance to Urban Infrastructure and Governance and a sum of Rs. 702.22 crore for UIDSSMT. I may also point out that this allocation may not be adequate for the programmes keeping in view committed liability for next year and sanction of new projects for cities and States which would access fund for the first time under this Mission."

4.15 At the instance of the Committee, the progress of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was furnished to them as under:—

From 01.04.2006 to 28.02.2007

Item	Status during 2005-06	Status from April, 2006 to Feb., 2007	Status as on 28.02.07
1	2	3	4
City Development Plan (CDP)			
i. Received	22	39	61
ii. Appraised	14	40	54
Memorandum of Agreement (MoA)			
i. Signed	9	35	44
Central Sanctioning and Monitoring Committee (CSMC) Meetings			
i. Number of meetings held	2	22	25
ii. Number of Projects approved by CSMC	23	158	181

	1	2	3	4
iii.	Number of project approved by CCEA (project costing more than Rs. 500 crore)	—	—	1
iv.	Total cost of projects approved	Rs. 864.83 crore	Rs. 14467.79 crore	Rs. 15332.62 crore
v.	ACA released by Ministry of Finance (For 159 projects)	Rs. 90.10 crore	Rs. 1000.80 crore	Rs. 1090.90 crore

Later, at their oral evidence held on 29.3.2007, the representative of Ministry of Urban Development informed the Committee that CDPs were received from 62 Cities and the 63rd CDP was to be received shortly from Panaji. It was further informed that the Ministry had already approved 45 CDPs out of 62.

4.16 Explaining the position further in this regard, the Secretary, UD *inter-alia* informed the Committee, during the oral evidence, as under:—

> "It is one thing to have 63 mission cities to have their City Development Plan prepared and submitted for appraisal. We have reached the figure of 62. Panaji is the last one left which is on its way, I am told. That is one big step, that is we have to have the City Development Plan which we had asked the State and local bodies to prepare in consultation with the public. Once the City Development Plan is submitted, the second step is the reform process is to be negotiated and signed. There again we have reached almost a figure of 50 local bodies signing, I am talking of the main mission, and other about 10 are also in the pipeline. So, we are moving ahead as far as the second step is concerned. Then comes the third step of each local body submitting individual project report for each project which is appraised and which is taken up for approval. I am sure the Hon'ble Committee would like to appreciate this point that during this one full year sufficient work has been done as far as this process is concerned. Once all the CDPs are in position, once all the reform agreements are signed then we have to have the continuous process of taking up projects for approval. We meet as a Committee at least once a week so that these projects are not delayed."

4.17 The Committee pointed out that in respect of JNNURM, some of the States had shown huge unspent amounts *e.g.* Gujarat

(Rs. 122.62 crore) Madhya Pradesh (Rs. 111.07 crore) and Maharashtra (Rs. 229.09 crore). In this context, the Secretary, UD explained *inter-alia* as under:

> "Now there is a systemic change in the sense that under the JNNURM, project based approvals are given. So, projects have to be taken up for implementation. In the case of 63 mission cities, first 25 per cent is released. Only when it is utilized, they could come for the next 25 per cent. So, there is a constant process of interaction with the States and local bodies to take stock of how they have implemented and how far they have progressed. Earlier, there was an arrangement in some schemes whereby funds were released. It was spread out to large number of institutions and local bodies. So, it was difficult to monitor them from this end. But as far as the main Mission cities are concerned, it is a continuing process."

4.18 The Committee had desired to be apprised on the Sector-wise approval of funds for release (upto 15.03.07). The Ministry furnished the following information in this regard:—

(Rupees in lakh)

Sl. No.	Sector	Number of projects sanction	Cost of projects sanctioned	Percentage	Approved for release
1.	Drainage/Storm Water Drainage	26	214005.73	13.52%	19857.89
2.	Roads/Flyovers	35	158700.29	10.03%	14014.06
3.	Water Supply	61	560324.78	35.41%	59986.71
4.	Sewarage	36	377127.85	23.83%	24601.98
5.	Urban Renewal	6	12402.48	0.78%	1297.8
6.	Mass Rapid Transport System	7	163665.5	10.34%	10335.68
7.	Other Urban Transport	1	2325	0.15%	203.44
8.	Solid Waste Management	17	89681.74	5.67%	5726.43
9.	Development of Heritage Areas	1	4313.08	0.27%	0
	Total	190	1582546.45		136023.99

4.19 During the oral evidence, the Secretary, Ministry of Urban Development further submitted before the Committee as follows:

> "63 projects with an estimated cost of Rs. 15021.90 crore in the sector of sewerage have been received as on date. Of this

40 projects have been approved at a cost of Rs. 4429.32 crore. An amount of Rs. 225.11 crore have been released so far. Under Solid Waste Management sector, 30 DPRs with estimated cost of Rs. 2486.23 crore have been received as on date. Of this, 20 projects have been approved with a cost of Rs. 1034.16 crore. As on date an amount of Rs. 50.22 crore have been released."

4.20 When asked about the steps initiated by the Ministry to encourage all the cities to submit CDPs/DPRs under JNNURM, the Ministry of Urban Development in a written note stated as follows:

"A number of steps has been taken by the Ministry of Urban Development to encourage the slow performing cities to submit CDP/DPRs under the Scheme. Secretary, Ministry of Urban Development has taken meeting with slow performing states/cities in May/June, 2006 with Secretary (UDs) of the slow performing States to review the matter. At the Joint Secretary level also similar initiatives have been taken. Action has been initiated for capacity building of the States so as to sensitize and improve their performance in preparation of CDP/DPRs . To address minimum needs, capacity building among the selected low performance States, Ministry of Urban Development is initiating the crash training programme in three priority areas namely Governance, DPR preparation and project implementation. The Training programme will cover all staff and elected representative of the concerned States."

4.21 On capacity building, it was further informed as follows:

"To achieve objectives of the Mission, knowledge sharing amongst JNNURM cities in various sectors of urban reforms and city governance has emerged as a potential area for capacity building. Hence, the Mission Directorate of JNNURM, under Ministry of Urban Development, has initiated networking among JNNURM cities for Peer Experience and Reflective Learning (PEARL), for cross learning and knowledge sharing. The Mission Directorate has suggested and assisted in formation of 5 groups/networks among JNNURM cities having similar socio-economic profile, complexities of urban problems and issues, size and urban growth patterns, along with natural affinity to peer pair."

4.22 Further, the Committee desired to know about Private-Public Partnership in JNNURM, if any. To this Secretary, UD, stated during the oral evidence as under:

"Coming to the second point about private participation, we have about ten projects where asset creation is taking place and as far

as O&M, that is maintenance aspect is concerned, especially in solid waste, we have seen, there is interest generated for private sector participation. There are 15 projects which fall in the category where private sector is coming together."

Allocation of adequate funds for JNNURM

4.23 The Committee note that in order to cope with the massive problems resulting from a rapid urban growth, the Jawaharlal Nehru Urban Renewal Mission (JNNURM) was launched by the Government in December, 2005, for a 7-year period beginning 2005-2006 with a total budget of Rs. 50,000 crore. At present, it envisages urban renewal projects in 63 selected cities in a mission mode approach. The Committee further note that for Sub-Mission-I on Urban infrastructure and Governance under JNNURM, which is administered by the Ministry of Urban Development, a provision of Rs. 2474.90 crore has been made as Additional Central Assistance to States for the year 2007-2008. The Committee also note the contention of the Ministry that the sum of Rs. 2474.90 crore would not be adequate to meet the requirements of various States to meet the deficiencies in urban infrastructural services. The Committee are of view that since the Government intends to push the JNNURM as an ambitious programme to bring about urban renewal in the country, it is imperative to allocate adequate budgetary provisions for the Sub-Mission-I under JNNURM. The Committee recommend that adequate allocation for the scheme should be made so that the objectives of the JNNURM regarding integrated development of urban infrastructure and services in 63 selected cities could be achieved. At the same time, the Committee also expect the Ministry to have a fast track and coherent approach for a sustainable development of the selected cities.

Need for expeditious appraisal of CDPs

4.24 The Committee note that the Ministry of Urban Development has already received City Development Plans (CDPs) from 62 cities out of the 63 cities selected for development. The 63rd CDP from Panaji, according to the Ministry, is to be received shortly. The Committee further note that 45 CDPs have been approved so far by the Ministry. They also note that the Ministry has taken a number of steps to encourage the slow performing cities to submit CDPs/ DPRs under the Scheme so as to sensitize them and improve their performance in the preparation of acceptable CDPs/viable DPRs which include knowledge sharing and crash training programmes.

While the steps taken by the Ministry are in the right direction, the Committee also desire that Government should take all expeditious measures to avoid delay in the appraisal of CDPs/DPRs submitted by the cities since the Mission needs to gain momentum in the second year of its launching.

Unspent balances with State Governments

4.25 The Committee note that a substantial amount as unspent balance is lying with some States under JNNURM, for instance Gujarat, Maharashtra and Madhya Pradesh. The Ministry have sought to justify this by stating that the arrangement earlier was to release funds in some schemes but now only project based approvals are given and thus only 25% funds are released at one go. The second instalment is released only if the earlier amount is utilized. Since the duration of JNNURM is 7 years, beginning from 2005-2006, the Committee desire that the Ministry should review the performance of those States where large amount of funds are lying unutilized in the implementation of JNNURM. If flexibility in the guidelines of the scheme is required for the overall efficiency of the scheme keeping in view the local conditions of States, the same should be assessed and worked upon, without any further loss of time so that funds under the scheme do not remain unutilized.

(ii) URBAN INFRASTRUCTURE DEVELOPMENT SCHEME FOR SMALL & MEDIUM TOWNS (UIDSSMT)

4.26 As per the Annual Report of the Ministry, the Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) aimed to improve urban infrastructure in towns and cities in a planned manner was launched by the Ministry of Urban Development on 3rd December, 2005. The existing schemes *viz*. Integrated Development of Small and Medium Towns (IDSMT) and Accelerated Urban Water Supply Programme (AUWSP) have been subsumed in UIDSSMT. The scheme was designed to cater to all cities/ towns (as per 2001 census) except 63 cities covered under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

4.27 The objectives of the scheme were cited as:—

(a) To improve infrastructural facilities and help create durable public assets and quality oriented services in cities & towns;

(b) To enhance public-private partnership in infrastructural development; and

(c) To promote planned integrated development of towns and cities.

4.28 As per the Annual Report, the components for assistance under the scheme will include all urban infrastructure development projects including water supply and sewerage. The scheme will cover the following areas:

- Urban Renewal
- Water supply & sanitation
- Sewerage and solid waste management
- Construction and improvement of drains/storm water drains
- Construction/upgradation of roads, highways/expressways
- Parking lots/spaces on public-private partnership basis
- Development of heritage areas
- Prevention and rehabilitation of soil erosion/land slides

4.29 In so far as the financing pattern of UIDSSMT is concerned, the Annual Report states as follows:—

- The sharing of funds would be in the ratio of 80:10 between Central Government and State Government and balance 10% could be raised by the nodal agencies from Financial Institutions.
- Central assistance (grant) is released directly to the nodal agencies as Additional Central Assistance (ACA)
- Central share is released in two instalments depending on availability of State share and submission of Utilisation certificate within 12 months of the closure of the financial year.

4.30 As the Committee desired to know about the monitoring mechanism for the scheme, it was informed by the Ministry in a written note that as per the scheme guidelines, the Ministry of Urban Development periodically reviewed the progress of the scheme. State Level Nodal Agencies (SLNAs) were required to submit quarterly progress report to the Ministry through The Town & Country Planning Organisation (TCPO). State Level Selection Committee (SLSC) also monitored the implementation of the physical progress of the sanctioned projects as well as reforms agenda. It was also stated that the Ministry proposes to establish a mechanism to have third party monitoring of the physical progress of the projects.

4.31 From the written material furnished to the Committee, they noted that for the year 2007-2008 an allocation of Rs. 702.22 crore has been made for UIDSSMT. When asked as to whether the allocation of Rs. 702.22 crore for UIDSSMT scheme during the year 2007-2008 would be sufficient, the Ministry of Urban Development, in a written note, stated as follows:

> "As per Census 2001, UIDSSMT incorporates all the towns/cities, approximately 5100, in the country other than the Mission Cities covered under JNNURM. The budget allocation of Rs. 702.22 crore for the towns/cities covered under UIDSSMT during the year 2007-08 would be insufficient. During 2005-06 and 2006-07, 343 projects in 279 towns could be considered for grant of ACA. However, more number of towns are supposed to be considered in a year during the operation of the Scheme i.e. upto 2011-12.
>
> It was further informed in addition to the fresh towns for sanctioning projects of the State/UT Governments, the second instalments for the ongoing Projects sanctioned earlier are also required to be released as committed liability during 2007-08. Keeping in view the requirements of Central assistance by the State/UT Governments under the scheme, the Ministry had proposed an allocation of Rs. 2500.00 crore against which Rs. 702.22 crore has been indicated in the proposed budget for the year 2007-08. To match the gap of required funds and the budgeted provision could be met out of additional allocation only."

4.32 As the Committee laid particular emphasis on the provision of essential services to all towns and cities during the oral evidence Secretary, Ministry of Urban Development, in his deposition submitted that under Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT), there is a focus on basic services which is revealed by the fact that 191 projects worth Rs. 3136.24 crore for Water Supply, 44 projects costing Rs. 1191.71 crore for sewerage and 47 projects valued at Rs. 469.89 crore for drainage have been sanctioned. Thus of the sanction 47.75% is in drinking water, 11% is in sewerage and 11.50% is in drainage.

Need to have better funding for UIDSSMT

4.33 The Committee note that the UIDSSMT is the scheme meant for improving the overall urban infrastructure in approx 5100 cities/ towns excluding the 63 cities covered under JNNURM. The scheme proposes to cover areas like water supply and sanitation, sewerage and solid waste management, construction/improvement of roads and

drains, prevention of soil erosion etc. The Committee further note that an allocation of mere Rs. 702.22 crore has been made for UIDSSMT for the year 2007-2008 against the proposed requirement of Rs. 2500 crore. This implies that instead of Rs. 49 lakhs (approx.) for each city under UIDSSMT as proposed, the Ministry has been given a measly sum of Rs. 14 lakhs (approx.) for each city. The Committee find the gap between the two very wide and feel that the budget allocation of Rs. 702.22 crore for the towns/cities covered under UIDSSMT during the year 2007-2008 would be insufficient. The Committee are of the view that without allocation of adequate funds, capital intensive projects under UIDSSMT would not be completed in time and this will defeat the very purpose of the scheme. The Committee desire that the Ministry should pursue the matter so as to get adequate funds for the scheme during the 11th Plan period to cover all the 5100 towns/cities, during the operation period of the scheme upto 2011-2012. The Committee are also of the view that as resource crunch is being felt for the scheme, the Government should take steps to mobilize resources through Public Private partnership for the 282 projects sanctioned so far. Further, the Committee feel that the public assets thus created must have the capacity to generate funds for their own maintenance later so that the dependence on Government grants could be lessened.

(iii) NATIONAL CAPITAL REGION PLANNING BOARD (NCRPB)

4.34 From the material made available to them, the Committee noted that the key rationale for constituting a National Capital Region in 1985 was to reduce the rate of in-migration into the National Capital as well as to develop the Region at a level comparable to the best such regions in the world. They further noted that the National Capital Region Planning Board (NCRPB) was constituted under an Act of Parliament namely the National Capital Region Planning Board Act, 1985. The Board was set up with following two main objectives:

- Preparing a Regional Plan along with complementary Fundamental Plans related to key elements of infrastructure; monitoring the implementation of these Plans and facilitating the preparation of Sub-Regional Plans, Development Plans and Project Plans by the constituents of the Region.
- Arranging for and overseeing the financing of selected development projects in the National Capital Region through Central and State Plan funds as well as other sources of revenue.

4.35 According to the Ministry, substantial financial resources were required for translating the vision of a National Capital Region into actual reality on the ground and for this purpose the Board was mainly dependent upon the Central grants and grants from the GNCT of Delhi besides raising funds from the capital market with the approval of the Government and the Planning Commission. Till date, the Board had raised about Rs. 900.00 crore from the capital market through private placement of bonds. The Committee were informed that the Board had a creditable loaning performance as it had recorded 100% recovery. The Board's financial operations were rated by CRISIL and it had been securing AAA (SO) rating for the last 9 years which was the highest level of rating given by CRISIL for such type of organizations.

4.36 As regards loan disbursed by the Board, the Committee were informed that the NCR Planning Board provided loan assistance upto a maximum 75% of the project cost and balance 25% of the project cost was financed as the borrowing agency's contribution by the implementing agencies/State Governments. The loan disbursed by the Board over the last five years was given as follows:

2002-03	Rs. 110.86 crore
2003-04	Rs. 274.08 crore
2004-05	Rs. 275.72 crore
2005-06	Rs. 364.95 crore
2006-07 (up to Dec. 2006)	Rs. 101.68 crore

4.37 It was further stated that the Board had been able to achieve 100% recovery of loan from the State Governments upto March 2006 and it had 'NIL' Non Performing Assets (NPA).

4.38 In reply to a query raised by the Committee, the Ministry informed that an amount of Rs. 300.00 crore was projected by the NCR Planning Board for the Financial Year 2007-08 towards budgetary support. The projection included a grant component of 15% of the estimated cost to be provided to constituent States/their implementing agencies along with loan amount. However, the Grant component was not approved due to budgetary constraints. Accordingly the Gross Budgetary Support has been limited to Rs. 100.00 crore for the financial year 2007-2008.

4.39 It was further intimated that NCR Planning board has projected a demand of Rs. 564.00 crore as Internal & Extra Budgetary

Resources (I&EBR) for the FY 2007-2008. This together with Gross Budgetary Support & accumulated internal accruals on account of loan repayments by the Borrowers will be sufficient only to meet the liability of loan instalments for ongoing projects and some of the new projects proposed to be financed during 2007-08. To meet the shortfall, the Board proposed to raise additional resources from multilateral agencies and from the capital market.

4.40 On a query regarding tax management of the Board, the Committee were informed as under:

> "The Board has been paying advance income tax on its income regularly on due dates as prescribed by the Income Tax Department. The average annual outgo on account of income tax paid has been to the extent of Rs. 28 to 35 crore, which comes to more than 1/3rd of grants-in-aid received from the Central Government. In this regard, it is highlighted that the NCRPB was exempted from paying income tax till March, 2002 as its activities were falling under the ambit of clause(20)A under Section 10 of Income Tax Act, 1961 (deleted *vide* Finance Act, 2002). Thus, the heavy tax burden *vis-a-vis* grants-in-aid sanctioned to the NCRPB is seriously impinging the Board's ability to extend soft loan assistance to its clientele for the infrastructure projects which are basically non-remunerative in nature."

4.41 During the Oral evidence, the Committee raised a point that since the Board is engaged in the developmental/charitable activity of advancement of public utility in the National Capital Region for improving civic life, infrastructure development and decongestion of Delhi, it had a strong case for IT exemption. To this, the Ministry responded by saying that the Board had already taken up the issue of grant of exemption with the Central Board of Direct Taxes and the Ministry of Finance, on the lines provided to some of other infrastructural development agencies such as NHAI, PIDB etc.

4.42 When asked further about the initiative taken by the Ministry of Urban Development on grant of exemption of Income Tax to NCRPB, the Ministry, in a written note stated as under:

> "The NCR Planning Board was exempted from paying income tax since its inception in 1985, as its activities were falling under the ambit of Clause 20(a) under Section 10 of Income Tax Act, 1961. This exemption continued till March, 2002. The exemption was withdrawn with effect from 1.4.2003 as Clause 20 (a) under Section 10 of Income Tax Act, 1961 under which exemptions were

granted was omitted with effect from 1.4.2003 by the Finance Act, 2002. The Board has applied for exemptions to the Director of Income Tax (Exemption), New Delhi under Section 10 (23 c) IV of the Income Tax Act, 1961 on the ground that activities of the Board are in the nature of charitable activity aimed towards basic infrastructure development. The case is still under consideration with the income tax authorities. The case for grant of income tax exemption to the NCRPB was also taken up by the Hon'ble Union Minister for Urban Development with the Hon'ble Finance Minister *vide* D.O.No. K-14011/5/2003-DDIB/VI dated 30.9.2005. Secretary, UD has once again taken up the case for grant of income tax exemption to the NCRPB on the lines of NHAI with Secretary, Deptt. of Revenue, Ministry of Finance, Govt. of India *vide* his D.O. No. B-20018(I)/2006-07/NCRPB dated 21.2.2007."

NCRPB to raise additional resources from outside

4.43 The Committee note that the key rationale for constituting a National Capital Region was to reduce the rate of in-migration into the National Capital as well as to develop the Region at a level comparable to the best regions in the world. For translating this vision into ground reality the National Capital Regional Planning Board (NCRPB) was set up, whose responsibility was preparing a Regional Plan alongwith complementary plan, monitoring their implementation and arranging for and overseeing the financing of the selected projects in the NCR. The Committee have been given to understand that the Board has a creditable loaning performance and its financial operations are getting highest ratings by the CRISIL. The Committee note that the NCRPB had projected an amount of Rs. 300 crore for the year 2007-2008 as budgetary support to which the NCRPB has been allocated Rs. 100 crore only. As the Board has a very sound financial base, the Committee expect them to meet this shortfall by raising additional support from outside so that their activities do not face resource crunch. The Committee recommend the Government to take an early decision in this matter.

Grant of Income Tax exemption to NCRPB

4.44 The Committee note that the NCRPB is paying Rs. 28 crore to Rs. 35 crore as advance income tax every year. The Committee also note that NCRPB was exempted from paying income tax since its inception in 1985. This exemption was withdrawn on 1st April 2003. In the Committee's view, the heavy tax burden on NCRPB is seriously affecting the Board's financial ability. The Committee desire

that since NCRPB is engaged in the development activity of advancement of public utilities in the National Capital Region for improving civic life, infrastructure development and decongestion of Delhi, it has a strong case for Income Tax exemption. In this context, the Committee have been apprised of the various efforts of the Board as well as the Ministry. The Committee are of the opinion that in view of the tax exemption already granted to bodies like National Highways Authority of India (NHAI) and Punjab Infrastructure Development Board (PIDB), it would create an anomaly, if NCRPB continues to pay advance income tax. They therefore, urge upon the authorities to correct this anomaly and grant income tax exemption to the NCRPB at their earliest.

CHAPTER V

URBAN TRANSPORT

5.1 According to the Annual Report (2006-2007) of the Ministry, Urban Transport is a crucial component of urban infrastructure. It provides access to opportunities, supports urban economic activities, and facilitates social interactions. A poor urban transport system not only constrains urban economic growth but also degrades the quality of life through congestion, pollution, accidents etc. The Report further states that the extent to which the Indian cities can maximize economic performance and reduce poverty will be closely linked to how efficiently their transport system moves people and goods, upon which their socio-economic activities depend. The rapidly growing urban population exerts an increasing pressure on the urban transport system. The resultant deterioration in the urban transport system will be reflected in lower economic productivity, which is why urgent measures are necessary to tackle this problem.

5.2 The Annual Report also predicts that the rising urban population, coupled with higher trip lengths and per capita trip rate will push up the urban transport demand at a much higher rate than the rate of growth of population. The total number of daily trips by vehicular modes in all million-plus cities which was estimated as 67 million in 1994 is projected to rise to about 92 million by 2001 and 216 million by 2021 A.D. Besides, it is presumed that around 53 million two wheelers and 6 million cars would be there in the next 20 years in metropolitan cities. Absence of adequate and effective mass transport facilities in these cities, would result in greater use of personalized motor vehicles which in turn would result in the choking up of already congested roads, rising rates of traffic accidents, and raising of atmospheric pollution to unbearable levels.

5.3 The Committee note from the material furnished to them that since the year 1986, the Ministry of Urban Development had been the nodal ministry for planning and coordination of Urban Transport matters at the central level, although road transport is the responsibility of the Ministry of Surface Transport and Rail Transport of the Indian Railways. However, the major responsibility for urban transport infrastructure and service delivery rests with State Governments and local bodies.

5.4 When asked by the Committee to provide details of the efforts of the Ministry in the area of urban transport, it was informed by the Ministry as under:

> "At present, the major initiative by this Ministry is in the form of grant of 40% of the cost to be given to the State Governments for the preparation of Comprehensive Traffic System Management plans, feasibility studies and Detailed Project Report (DPR) for Urban Transportation Projects *i.e.* Mass Urban Transport Projects. So far feasibility studies for improvement of Traffic and Transportation scenario at Delhi, Kolkata, Chennai, Hyderabad, Bangalore, Jaipur, Ahemdabad, NOIDA, Jammu, Cuttack-Bhubaneshwar, Shimla, Lucknow, Kanpur and Lucknow-Kanpur corridor, Agra city and Agra Mathura Ferozabad–Fatehpur Sikri Taj Trapezium areas, Rajkot, Jamnagar and Bhavanagar have already been completed. From among these studies, the projects for a Metro Rail Transport System for Delhi and Bangalore are currently under implementation as detailed under "Delhi MRTS Project" and "Bangalore Metro Rail Project. A study for East-West Metro Corridor in Kolkata has been taken up. Studies for MRTS system in Cuttack, Bhubaneshwar, Ahmedabad and Gandhinagar are in progress. Further, DPR for extension of Delhi Metro to Bahadurgarh and Faridabad is also under progress."

5.5 Regarding the National Urban Transport Policy (NUTP), the Ministry informed the Committee as under:

> "A National Urban Transport Policy (NUTP) has been approved by the Government in April, 2006. It, *inter-alia*, seeks to promote integrated land use and transport planning, greater use of public transport & non-motorized modes of travel and use of cleaner technologies. It offers Central Government's financial support for investments in public transport, infrastructure for greater use of non-motorized modes, as well as in the construction of parking facilities, including demonstrative pilot projects. It encourages capacity building at institutional and individual level, innovative financing mechanisms, institutional coordination, association of the private sector and need for public awareness and cooperation."

5.6 During the oral evidence, the Secretary, UD added further as under:

> "National Urban Transport Policy (NUTP) 2006 has been circulated to all the States. Since Urban Transport is a State subject, implementation in the field is to be done by the concerned State

Governments/Urban Local Bodies. Central Government is providing Additional Central Assistance under JNNURM/Viability Gap Funding Scheme of Ministry of Finance for urban transport projects provided they are National Urban Transport Policy compliant."

5.7 Elaborating further, he informed the Committee as under:

"The very fact that there is considerable interest generated in urban transportation, one should look at additional modes of transportation. There is a Centrally-sponsored scheme in what form urban transportations should they think in terms of. Everyone need not think in terms of an expensive proposition. There could be newer propositions as well. A good example of that would be Indore, Ahmedabad, Jaipur and Bhopal where a bus rapid transport system has been introduced where there are segregated bus lanes. Wherever it is possible, it should be done."

5.8 The Ministry was also stated to have initiated a proposal for capacity building in sustainable urban transport planning at National, State and city level as well as Institutional level so that well coordinated and integrated transport systems get built up.

5.9 Highlighting the need to have a common set of guidelines for all the States in this regard the Committee were further informed as under:

"Realizing the problem of urban transport, a number of cities are coming up with Mass Transit System proposals to be funded under Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Viability Gap Funding (VGF) or budgetary support from Government of India. It has been noticed that in the absence of proper guidelines, project reports are being prepared which are not in line with the NUTP. Keeping in view all these, a common set of guidelines have been prepared addressing all the important issues related to preparation of detailed project reports for Mass Transit System proposals (Bus based/Rail based). The guidelines have also been posted on the website of the Ministry. Further, Bus Rapid Transit System (BRTS) proposals for Ahmedabad, Bhopal, Indore, Jaipur and Pune have been approved under JNNURM."

5.10 During the oral evidence, the Secretary, UD submitted before the Committee that under urban transport sector 15 DPRs with estimated cost of Rs. 16367.69 crore for MRTS/BRTS project and 22 DPRs for other transport project have been received. Of this, 7 BRTS projects at a cost of Rs. 1520.64 crore and 1 other urban

transport project at a cost of Rs. 23.25 crore have been approved. As on date an amount Rs. 104.39 crore has been released.

Adherence to targets set for various transportation projects

5.11 The Committee express serious concern over the well known fact that the rapidly growing urban population is putting a heavy burden on the urban transport system and the resultant deterioration in the urban transport system is being reflected in the lower economic productivity as well as an irreversible damage to the environment. They desire that since urban transport is crucial for the socio-economic development of the country, a concerted and multi pronged action covering all modes of transport is required. The Committee also feel that adequate investment is required in urban transport, to encourage the use of public transport as well as promote alternate technologies in various modes of transport. While appreciating the hitherto successful DMRC Project – Phase–I, the Committee note that the Ministry have extended 40% cost of quite a few similar transportation projects as grant to several State Governments, which are currently under various stages of progress. The Committee hope that targets set for the same would be met by the implementing agencies. The Committee are also aware of the concern raised in some quarters about the impact of transportation projects on the urban landscape and urge the Ministry to sensitize the States in this respect so that the huge amount of public money invested in these projects does not get wasted.

National Urban Transport Policy

5.12 The Committee understand that a National Urban Transport Policy (NUTP) has been approved by the Government in April 2006. It, *inter-alia*, seeks to promote integrated land use, transport planning, greater use of public transport, non-motorized modes of travel, and use of cleaner technologies. The policy also offers Central Government's financial support, capacity building, innovative financing mechanism, institutional coordination, association of the private sector etc. The NUTP has been circulated to all the States. While the objective of the NUTP sounds laudable, the Committee recommend that the Central Government should impress upon the States to strive to implement the National Urban Transport Policy (NUTP). In this connection, the Committee also feel that the existing capacity, capability and experience in IT sector for instance 'intelligent transport system', could be of great help in planning and developing the urban transport in the cities. Further, the Committee desire that

the Government should conduct regular capacity building programmes at institutional and individual level so as to create awareness regarding need to encourage public private participation in Urban Transport.

NEW DELHI;
25 *April,* 2007
5 *Vaisakha,* 1929 *(Saka)*

MOHD. SALIM,
Chairman,
Standing Committee on Urban Development.

ANNEXURE-1

STATUS OF PROJECTS SANCTIONED UNDER JNNURM(SUB-MISSION -UIG)

Sl.No	State	City	Status of CDP	Status of MoA	DPRs Submitted	Approved by Sanctioning Authority	Total Project Cost (Rs. in lakhs)	Central Assistance Released (Rs. in lakhs)	Projects referred back for clarification / improvement	Under Appraisal
1	2	3	4	5	6	7	8	9	10	11
1.	Andra Pradesh	Hyderabad	Submitted	Signed	48	15	68,129.5	4,570.3	25	0
		Vijayawada	Submitted	Signed	15	8	40,288.0	2,536.6	7	0
		Vishakhapatnam	Submitted	Signed	21	7	41,956.0	2,076.4	6	3
2.	Arunachal Pradesh	Itanagar	Submitted	Not Signed	11	2	8,919.7	0.0	0	9
3.	Assam	Guwahati	Submitted	Signed	1	1	3,516.7	0.0	0	0
4.	Bihar	Patna	Submitted	Signed	5	1	3,695.4	0.0	4	0
		Bodhgaya	Submitted	Signed	0	0	0.0	0.0	0	0
5.	Chattisgarh	Raipur	Submitted	Signed	5	1	30,364.0	4,800.0	4	0
6.	Chandigarh	Chandigarh	Submitted	Signed	3	2	5,698.6	0.0	1	0
7.	Delhi	Delhi	Submitted	Not Signed	39	0			32	7

1	2	3	4	5	6	7	8	9	10	11
8.	Goa	Panaji	Not submitted	Not Signed	0	0	0.0	0.0	0	0
9.	Gujarat	Ahmedabad	Submitted	Signed	36	20	129,156.5	10,938.8	12	2
		Rajkot	Submitted	Signed	4	3	16,971.0	2,121.1	1	0
		Surat	Submitted	Signed	29	14	46,104.8	3,347.2	10	2
		Vadodara	Submitted	Signed	5	3	29,214.5	1,013.1	2	0
10.	Himachal Pradesh	Shimla	Submitted	Signed	5	2	2,613.1	522.6	3	0
11.	Haryana	Faridabad	Submitted	Signed	4	1	10,383.0	1,297.9	1	1
12.	Jammu and Kashmir	Jammu	Submitted	Signed	2	1	12,923.0	1,163.1	1	0
		Srinagar	Submitted	Signed	2	1	13,292.0	1,196.3	1	0
13.	Jharkhand	Dhanbad	Submitted	Not Signed	0	0	0.0	0.0	0	0
		Jamshedpur	Submitted	Not Signed	0	0	0.0	0.0	0	0
		Ranchi	Submitted	Not Signed	0	0	0.0	0.0	0	0
14.	Karnataka	Bangalore	Submitted	Signed	25	13	99,384.0	7,054.6	5	5
		Mysore	Submitted	Signed	4	1	19,454.0	3,112.6	2	1
15.	Kerala	Cochin	Submitted	Signed	5	4	37,748.0	2,661.8	0	1
		Thiruvananthapuram	Submitted	Signed	9	2	30,257.0	1,743.2	2	4

1	2	3	4	5	6	7	8	9	10	11
16.	Maharashtra	Greater Mumbai	Submitted	Signed	33	8	248,890.1	5,904.6	9	3
		Nagpur	Submitted	Signed	20	14	81,144.5	14,101.3	5	1
		Nanded	Submitted	Signed	16	10	68,704.5	11,715.3	6	0
		Nashik	Submitted	Signed	4	3	25,897.2	1,969.5	0	1
		Pune	Submitted	Signed	24	9	161,141.2	9,887.3	14	0
17.	Meghalaya	Shillong	Submitted	Not Signed	4	0	0.0	0.0	1	2
18.	Manipur	Imphal	Submitted	Signed	3	0	0.0	0.0	3	0
19.	Madhya Pradesh	Bhopal	Submitted	Signed	9	5	30,956.0	3,869.6	3	0
		Indore	Submitted	Signed	8	6	52,961.3	5,852.2	0	2
		Jabalpur	Submitted	Signed	3	2	14,882.0	1,860.0	0	0
		Ujjain	Submitted	Signed	2	0	0.0	0.0	2	0
20.	Mizoram	Aizwal	Submitted	Not Signed	0	0	0.0	0.0	0	0
21.	Nagaland	Kohima	Submitted	Signed	5	0			2	2
22.	Orissa	Bhubaneshwar	Submitted	Signed	4	2	50,492.7	120.3	1	0
		Puri	Submitted	Signed	0	0	0.0	0.0	0	0

1	2	3	4	5	6	7	8	9	10	11
23.	Punjab	Amritsar	Submitted	Signed	3	1	17,934.0	2,241.8	0	0
		Ludhiana	Submitted	Not Signed	0	0	0.0	0.0	0	0
24.	Pondicherry	Pondicherry	Submitted	Not Signed	3	0	0.0	0.0	0	2
25.	Rajasthan	Ajmer-Pushkar	Submitted	Signed	1	1	18,873.0	2,400.0	0	0
		Jaipur	Submitted	Signed	9	4	21,061.4	1,746.9	3	1
26.	Sikkim	Gangtok	Submitted	Not Signed	2	0	0.0	0.0	2	0
27.	Tamilnadu	Chennai	Submitted	Signed	14	9	85,375.2	8,458.1	5	0
		Coimbatore	Submitted	Signed	5	2	21,025.3	2,628.2	2	1
		Madurai	Submitted	Signed	10	5	15,595.2	1,827.0	1	4
28.	Tripura	Agartala	Submitted	Signed	1	0	0.0	0.0	0	1
29.	Uttranchal	Dehradun	Submitted	Not Signed	3	0	0.0	0.0	3	0
		Haridwar	Submitted	Not Signed	0	0	0.0	0.0	0	0
		Nainital	Submitted	Not Signed	0	0	0.0	0.0	0	0
30.	Uttar Pradesh	Agra	Submitted	Signed	2	1	2,754.5	344.3	1	0
		Allahabad	Submitted	Signed	0	0	0.0	0.0	0	0

1	2	3	4	5	6	7	8	9	10	11
		Kanpur	Submitted	Signed	9	1	4,788.6	598.6	7	1
		Lucknow	Submitted	Signed	9	1	3,494.6	436.8	8	0
		Mathura	Submitted	Signed	1	1	991.6	198.3	0	0
		Meerut	Submitted	Signed	1	1	2,259.4	282.4	0	0
		Varanasi	Submitted	Signed	2	0	0.0	0.0	2	0
31.	West Bengal	Asansol	Submitted	Signed	6	5	21,298.2	2,662.3	1	0
		Kolkata	Submitted	Signed	19	12	95,991.6	6,046.2	2	1
	Total				513	205	1,696,580.8	135,306.4	202	57

ANNEXURE II

STANDING COMMITTEE ON URBAN DEVELOPMENT (2006-07)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE HELD ON THURSDAY, THE 29TH MARCH, 2007

The Committee sat from 1100 hrs. to 1330 hrs. in Room No. 53, First Floor, Parliament House, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Surendra Prakash Goyal
3. Shri Anant Gudhe
4. Shri Pushp Jain
5. Shri Kailash Joshi
6. Shri A.K. Moorthy
7. Shri Shripad Yesso Naik
8. Shri Sudhangshu Seal
9. Kunwar Devendra Singh Yadav
10. Shri Suresh Ganpatrao Wagmare

Rajya Sabha

11. Shri Nandi Yellaiah
12. Shri B.K. Hariprasad
13. Shri Manohar Joshi
14. Shri Surendra Moti Lal Patel
15. Shri Krishan Lal Balmiki
16. Shri Penumalli Madhu
17. Shri Mukul Roy

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri S. Balshekar — *Joint Secretary*
3. Shri R.K. Saxena — *Director*
4. Smt. Anita B. Panda — *Deputy Secretary*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

1. Shri M. Ramachandran, Secretary (UD)
2. Shri S.M. Acharya, Additional Secretary (UD)
3. Dr. H.S.Anand, MS, NCR Planning Board
4. Shri Raghubir Singh, Additional Secretary & F.A.
5. Shri A. Chakrabarti, DG(W), CPWD
6. Shri M. Rajamani, Joint Secretary (UD)
7. Dr. M.M. Kutty, Joint Secretary (D&L)
8. Dr. K.S.R.V.S. Chalam, Economic Adviser
9. Shri J.P.S.Chawla, Chief Controller of Accounts
10. Shri Dinesh Rai, Vice Chairman, DDA
11. Shri A.K. Nigam, Commissioner MCD
12. Shri Arup Roy Choudhury, C.M.D., NBCC
13. Shri S.K. Lohia, Director (UT)
14. Smt. Anupama Anand, Additional Director of Printing
15. Shri R.K. Sinha, L& D.O.
16. Shri J.B. Kshirsagar, CP, TCPO
17. Dr. D. Suresh, Director Estates
18. Shri R.K. Jain, Chief Accounts Officer, NDMC

2. At the outset, the Chairman welcomed the members and the representatives of the Ministry of Urban Development to the sitting of the Committee. The Chairman then asked the Secretary, Ministry of Urban Development to brief the Committee about the salient features of the Demands for Grants of the Ministry for the year 2007-2008. He also drew the attention of the representatives to the provisions of direction 55(1) of the 'Directions by the Speaker'.

3. The Secretary, Ministry of Urban Development then briefly outlined the overall budgetary position with regard to the budget allocations of the Ministry of Urban Development for the year 2007-2008 and also explained the major schemes of the Ministry of Urban Development. The Committee deliberated on various issues related to examination of the Demands for Grants (2007-2008) of the Ministry of Urban Development. The representatives of the Ministry clarified to the queries raised by the members on Demands for Grants.

4. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

ANNEXURE III

STANDING COMMITTEE ON URBAN DEVELOPMENT (2006-07)

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE HELD ON FRIDAY, THE 13TH APRIL, 2007

The Committee sat from 1100 hrs. to 1300 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Anant Gudhe
3. Shri Kailash Joshi
4. Shri Shripad Yesso Naik
5. Shri Sudhangshu Seal
6. Kunwar Devendra Singh Yadav
7. Shri Suresh Ganpatrao Wagmare
8. Smt. Botcha Jhansi Lakshmi

Rajya Sabha

9. Shri Nandi Yellaiah
10. Shri B.K. Hariprasad
11. Shri Manohar Joshi
12. Shri Surendra Moti Lal Patel
13. Shri Krishan Lal Balmiki
14. Shri Penumalli Madhu
15. Shri Mukul Roy
16. Shri Brij Bhushan Tiwari

SECRETARIAT

1. Shri S. Balshekar — *Joint Secretary*
2. Shri R.K. Saxena — *Director*
3. Smt. Anita B. Panda — *Deputy Secretary*
4. Shri Harchain — *Under Secretary*

2. At the outset, Hon'ble Chairman welcomed the Members to the sitting of the Committee. He also welcomed Shri Brij Bhushan Tiwari, MP, Lok Sabha on his nomination to the Committee. The Committee first took up for consideration the draft Report on Demands for Grants (2007-2008) of the Ministry of Urban Development. After some deliberation, the Committee adopted the draft Report with some modifications.

3. Thereafter, the Committee took up for consideration, the draft Report on Demands for Grants (2007-2008) of the Ministry of Housing and Urban Poverty Alleviation. Members suggested changes/ modifications to the draft Report. The Committee adopted the draft Report with modifications.

4. The Committee then authorized the Chairman to finalise both the Reports on the basis of factual verification from the concerned Ministries and present the same to the Parliament.

The Committee then adjourned.